

Environmental protection

Canada has a diverse environmental protection sector that includes thousands of firms. The integration of the EC market presents a number of opportunities for Canadian firms in environmental services and in certain niche-product markets, including water and wastewater treatment equipment, monitoring equipment, toxic waste disposal and air quality control.

The environmental services sector is a new and burgeoning industry. Attempts to estimate the size of the EC environmental protection industry have varied from about \$66.3 billion in 1987 to as much as \$118.4 billion in 1989.

Although the industry itself is young, many of the firms involved in it in the EC are quite old. They come from such diverse sectors as mechanical engineering, chemistry, construction, instrumentation and urban services. There is also a significant number of new companies: in Germany, for example, 49% of companies that enter the sector are new businesses.

Structure

The environmental industries of each Member State vary a great deal. There are differences in concentration, vertical integration, public/private ownership, and areas of expertise.

With several thousand companies involved, the EC environmental protection industry is not highly concentrated. Many small- and medium-sized businesses view the sector as a secondary area of activity. Businesses focusing on the sector include equipment manufacturers who have diversified into such areas as air and water pollution and waste disposal. Deutsche Babcock, the largest of the German environmental firms, is an example. Engineering businesses that deal with water, emission treatment, the elimination of waste or noise pollution are also in this core group.

The Structure of the Major EC Environmental Services Industries

	FRG	U.K.	Denmark	Italy	France
Public/private balance*	Majority public 50/50 for MSW collection**	Privatization under way	100% public	Majority public	Majority public
Engineering (main structure)	Integrated industrial groups	Independent or integrated businesses with operations and management	Independent or integrated in industrial groups	Integrated industrial groups	Integrated groups of urban services
Diversification main equipment suppliers***	Strong	Weak	Moderate	Weak	Moderate
Vertical integration	In process	In process	Limited	Limited	Strong
New entrants	Electricity distributors, chemical and construction companies	Construction groups and industrial cleaning services	Chemical groups	Construction groups and state-owned groups	Construction groups

* management equipment of public entities

** MSW = municipal solid wastes

*** water, air and waste.

Source: Recherche developpement international.